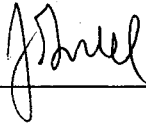


REPORT

DATE: February 2, 2006
TO: Regional Council
FROM: Hasan Ikhrata, Director of Planning and Policy
SUBJECT: Regional Housing Needs Assessment (RHNA) Program Request for Extension

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the attached letter requesting up to a two year extension of the Regional Housing Needs Assessment (RHNA) program in order to coordinate with the 4 year RTP cycle and to allow the State legislature time to enact program changes, including identification and appropriation of State funding.

SUMMARY:

SCAG staff has been actively pursuing program changes to the Regional Housing Needs Assessment (RHNA) statute consistent with our obligations under the 2004 RHNA Settlement Agreement arising out of the litigation from the last RHNA cycle. Our focus, as reported and approved by the CEHD and Regional Council in 2005, has been to develop a policy based, rather than a statistically based RHNA program that emphasizes the use of improved local growth data and further identifies priority investment zones where incentives may be targeted to encourage additional housing development, i.e. Compass 2% Strategy areas identified locally. This approach, known as "20 year Housing Planning" by the state has been identified as the optimum way to proceed by the Secretary of Business, Transportation and Housing. This approach requires amendment to the existing RHNA statute.

On a parallel track SCAG legal staff has been working to overturn the Commission on State mandates determination that COG's are not eligible claimants for state mandates. It appears this will now have to be resolved by legislative action; rather than in the courts.

Additionally, contrary to early expectations, the State Blueprint Funds cannot be used specifically for the RHNA program.

BACKGROUND:

The State Department of Housing and Community Development (HCD) previously approved SCAG's request to coordinate the next RHNA with its 2007 Regional Transportation Plan Growth Forecasting. This approval, however, was before we learned of the 4 year RTP time period recently enacted in Federal law. We need an additional extension to meet the statutory requirements to coordinate our RTP Growth forecast for the 2008 RTP.

The ability to request the previous extension granted to SCAG by HCD was included in State law. HCD, in 2005, demonstrated that they have additional discretionary authority to grant extensions by approving a request for extension from the Association of Bay Area governments (ABAG) administratively.

REPORT

FISCAL IMPACT:

There is no fiscal impact to approving the letter requesting a program extension

DOCS118928v3

February 2, 2006

Acting Director Judy Nevis
Department of Housing and Community Development
1800 Third Street, Room 450
P.O. Box 952053
Sacramento, CA 94252

Re: RHNA Request for an Extension

Dear Ms. Nevis,

We are writing at the behest of our Regional Council to request that the 4th Revision of the Regional Housing Needs Assessment for the SCAG region be postponed for up to two years to allow it to be coordinated with the new four year Regional Transportation Plan cycle and to allow the State legislature time to enact program changes, including identification and appropriation of State funding to support the RHNA and the adoption of a 20 year housing planning approach for local communities.

The State Department of Housing and Community (HCD) previously approved SCAG's request to coordinate the next RHNA with its 2007 Regional Transportation Plan (RTP) growth forecast. This approval, however, was based on a three year RTP cycle. This cycle has now been changed by federal law to permit a four year planning period. An extension is needed to meet the statutory goal to foster coordination of RTP growth forecasting with RHNA projections, especially over a 20 year or more time horizon.

Funding of this new coordinated transportation and housing process was also anticipated to be a shared expense between the California Blueprint growth visioning program and appropriate resources from the Commission on State Mandates. However, both of these resources cannot be used without new legislation.

Our hope is that with a maximum two year extension, the legislative goal of RTP and RHNA program coordination will be realized and that funding issues supporting this effort may also be resolved so that we may partner in strategic ways to implement a sustainable growth forecast and affordable housing plan for the SCAG region.

We look forward to hearing from you soon concerning this urgent request.

Sincerely,

Mark Pisano
Executive Director

cc: Toni Young
SCAG President